

HOUSE BILL NO. 227

INTRODUCED BY GALVIN-HALCRO

A BILL FOR AN ACT ENTITLED: "AN ACT ~~ALLOWING~~ REVISING THE DELAYED PAYMENT OF PROPERTY TAXES WITHOUT PENALTY OR INTEREST BY A MEMBER OF THE NATIONAL GUARD OR ARMED FORCES RESERVES ORDERED TO MILITARY WHO IS ON ACTIVE DUTY IN THE TIME OF WAR OR NATIONAL EMERGENCY DECLARED BY CONGRESS OR HOSPITALIZED FOR DUTY-RELATED INJURIES OR ILLNESS, INCLUDING MEMBERS OF THE NATIONAL GUARD AND ARMED FORCES RESERVES; CLARIFYING THE NOTIFICATION REQUIREMENT TO THE COUNTY TREASURER; AND AMENDING SECTION SECTIONS 10-1-606, 15-16-102, AND 15-24-202, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~NEW SECTION. Section 1. Delayed payment for military called to active duty.~~ (1) For property owned by a taxpayer who is a member of the national guard or armed forces reserves ordered to active duty in the time of war or national emergency declared by congress, the taxes on the property may be paid without penalty or interest for 1 year after the taxpayer is released from active duty or, if the taxpayer was wounded, injured, or suffered a disease that is serious enough to require hospitalization while on active duty, for 1 year after release from the hospitalization. Property qualifies for delayed payment under this section if it is owned by the taxpayer either solely or jointly by the member with one or more relatives.

~~(2) A taxpayer is not required to apply for a deferral of payment of taxes under this section but shall provide proof of qualification for the deferral at the time of making the deferred tax payment. A qualified taxpayer, or a co-owner or agent of the taxpayer, may provide notice to the county treasurer of the deferral of taxes because of the operation of this section.~~

~~(3) Taxes deferred pursuant to this section are not considered delinquent for the purposes of Title 15, chapter 17, or any other law in which nonpayment of property taxes affects the ownership interest in the property.~~

~~(4) For the purposes of this section, "relative" means a person with a relationship to the member described in 15-30-113(1)(a) through (1)(j).~~

1 **SECTION 1.** SECTION 10-1-606, MCA, IS AMENDED TO READ:

2 **"10-1-606. Suspension of property taxes for persons in military service.** (1) All taxes, whether on
3 real or personal property, due on property owned by ~~any citizen~~ a resident of the state of Montana in the ~~active~~
4 ~~military or naval service of the United States shall, as defined by section 511 of the Servicemembers Civil Relief~~
5 ~~Act, 50 App. U.S.C. 511, as amended, WHILE SERVING OUTSIDE OF MONTANA must be held in abeyance~~ suspended
6 ~~WHILE THE RESIDENT IS SERVING IN A COMBAT ZONE OR CONTINGENCY OPERATION AS DESCRIBED IN 26 U.S.C. 7508,~~
7 ~~no proceedings~~ Proceedings may not be taken for the collection thereof, of the taxes and no penalties or
8 ~~interests shall be added thereto until the expiration of the period of 1 year from and after the cessation of~~
9 ~~hostilities or discharge from military or naval service~~ interest may not accrue until 1 year after THE CESSATION OF
10 ~~HOSTILITIES OR 1 YEAR AFTER the taxpayer is released from active duty. If the taxpayer was wounded, injured, or~~
11 ~~suffered a disease while serving in a combat zone or participating in a contingency operation, as described in~~
12 ~~26 U.S.C. 7508, AS DESCRIBED IN 10 U.S.C. 101(A)(13) that is serious enough to require hospitalization,~~
13 proceedings may not be taken and penalties or interest may not accrue until 1 year after the taxpayer's release
14 from the hospitalization.

15 (2) To obtain the benefits of this section, ~~it shall be necessary for some person, on behalf of such~~
16 ~~person in the military or naval service, to~~ the qualified taxpayer or a co-owner of the property or agent of the
17 taxpayer shall file with the treasurer of the ~~proper~~ county an affidavit ~~to the effect~~ stating that the person against
18 whom ~~such the~~ taxes are ~~charged~~ imposed is in ~~such active~~ military or naval service, ~~which~~ The affidavit must
19 be filed ~~at on~~ or before the time ~~when such that~~ taxes would become delinquent, ~~and upon the filing thereof the~~
20 The county treasurer shall ~~make a notation upon his records to the effect~~ record that the collection of ~~such the~~
21 taxes is suspended ~~on account~~ because of the military or naval service of ~~such the~~ taxpayer. ~~But nothing in this~~
22 This section shall may not be ~~so~~ construed as to prevent ~~such the~~ county treasurer from receiving payment of
23 any ~~such~~ taxes whenever offered."

24
25 **Section 2.** Section 15-16-102, MCA, is amended to read:

26 **"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or canceled under the
27 provisions of 10-1-606 OR Title 15, chapter 24, part 17, all taxes levied and assessed in the state of Montana,
28 except assessments made for special improvements in cities and towns payable under 15-16-103, are payable
29 as follows:

30 (1) One-half of the taxes are payable on or before 5 p.m. on November 30 of each year or within 30

1 days after the tax notice is postmarked, whichever is later, and one-half are payable on or before 5 p.m. on May
2 31 of each year.

3 (2) Unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within
4 30 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws
5 interest at the rate of 5/6 of 1% a month from and after the delinquency until paid and 2% must be added to the
6 delinquent taxes as a penalty.

7 (3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw
8 interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must be added to the
9 delinquent taxes as a penalty.

10 (4) (a) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without
11 penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.

12 (b) If taxes on property qualifying under the low-income property tax assistance provisions of
13 15-6-134(1)(c) and 15-6-191 are paid within 20 calendar days of the date on which the taxes are due, the taxes
14 may be paid without penalty or interest. If a tax payment is made later than 20 days after the taxes were due,
15 the penalty must be paid and interest accrues from the date on which the taxes were due.

16 ~~_____ (c) If the property subject to taxation is owned by a member of the national guard or armed forces~~
17 ~~reserves ordered to active duty in the time of war or national emergency declared by congress, the payment of~~
18 ~~taxes may be deferred without penalty or interest as provided in [section 1].~~

19 (5) (a) A taxpayer may pay current year taxes without paying delinquent taxes. The county treasurer
20 shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full
21 tax years if taxes for both halves of the current tax year have been paid. Payment of taxes for delinquent taxes
22 must be applied to the taxes that have been delinquent the longest. The payment of taxes for the current tax
23 year is not a redemption of the property tax lien for any delinquent tax year.

24 (b) A payment by a co-owner of an undivided ownership interest that is subject to a separate
25 assessment otherwise meeting the requirements of subsection (5)(a) is not a partial payment.

26 (6) The penalty and interest on delinquent assessment payments for specific parcels of land may be
27 waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.

28 (7) If the department revises an assessment that results in an additional tax of \$5 or less, an additional
29 tax is not owed and a new tax bill does not need to be prepared.

30 (8) The county treasurer may accept a partial payment of centrally assessed property taxes as provided

1 in 76-3-207."

2
3 ~~NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an~~
4 ~~integral part of Title 15, chapter 16, part 2, and the provisions of Title 15, chapter 16, part 2, apply to [section 1].~~

5
6 **SECTION 3. SECTION 15-24-202, MCA, IS AMENDED TO READ:**

7 **"15-24-202. Payment of tax -- interest and penalty -- display of tax-paid sticker.** (1) (a) The owner
8 of a mobile home, manufactured home, or housetrailer ~~which~~ that is not taxed as an improvement, as
9 improvements are defined in 15-1-101, shall pay the personal property tax in two payments, except as provided
10 in 10-1-606 or 15-24-206.

11 (b) The first payment is due on or before May 31 or within 30 days from the date of the notice of taxes
12 due, whichever is later.

13 (c) The second payment is due no later than November 30 of the year in which the property is assessed.

14 (d) If not paid on or before the date due, the tax is considered delinquent and subject to the penalty and
15 interest provisions in 15-16-102 applicable to other delinquent property taxes. The penalty must be assessed
16 and interest begins to accrue on the first day of delinquency.

17 (2) Upon request, the treasurer shall notify a lienholder if taxes on a mobile home, manufactured home,
18 or housetrailer have not been paid.

19 (3) Taxes assessed against a mobile home or manufactured home after the second payment date must
20 be prorated to reflect the remaining portion of the tax year. The prorated taxes must be added to the following
21 year's tax roll and, except as provided in 15-24-206, are due with and must be collected with the first payment
22 due in that year.

23 (4) The department of revenue shall issue tax-paid stickers to the county treasurers. Except as provided
24 in 15-24-206 and 15-24-209, if a mobile home, manufactured home, or housetrailer is to be moved and all taxes,
25 interest, and penalties on the mobile home or housetrailer are paid in full, the treasurer shall issue a tax-paid
26 sticker to the owner of the mobile home, manufactured home, or housetrailer. Prior to and while in the process
27 of moving the mobile home, manufactured home, or housetrailer, the owner shall display the tax-paid sticker,
28 which must be visible from the exterior of the mobile home, manufactured home, or housetrailer. A mobile home
29 or manufactured home movement declaration of destination provided for in 15-24-206 may not be issued unless:

30 (a) the taxes have been paid in full to the county treasurer; or

1 (b) the exceptions in 15-24-206(3) or 15-24-209 apply.

2 (5) On the movement of a mobile home, manufactured home, or housetrailer in violation of this part,

3 the county treasurer for the county where the mobile home, manufactured home, or housetrailer first comes to

4 rest shall issue a written notice to the owner, showing the amount of delinquent taxes, special assessments,

5 penalties, and interest due. In addition to the penalties provided in 15-16-102, 20% or \$50, whichever is greater,

6 must be added to the delinquent taxes as penalty for violation of this part. On receipt of the delinquent taxes,

7 special assessments, penalties, and interest, the county treasurer shall forward all delinquent taxes, special

8 assessments, penalties, and interest collected under 15-16-102 to the county treasurer for the county of origin.

9 The county of destination shall retain the penalty."

10 - END -